

# **FISCAL NOTE**

## **HB 311 - SB 627**

March 30, 2005

**SUMMARY OF BILL:** Directs the Department of Transportation to begin planning, site selection, design, engineering and acquisition of right-of-way for the construction of a toll bridge in Sumner County connecting Old Hickory Boulevard and Gallatin Road near Old Hickory Dam. Requires tolls be sufficient to pay for the construction, maintenance, and repair of such toll bridge.

### **ESTIMATED FISCAL IMPACT:**

**Other Fiscal Impact - The fiscal impact of this bill is dependent on difference between the total cost of the project and the amount of revenues it would generate for the state. This project is estimated to cost the state highway fund \$191,000,000 over a 20-year period. To the extent the toll bridge generates \$191,000,000 million in revenues over the next 20-year period, the state would break even.**

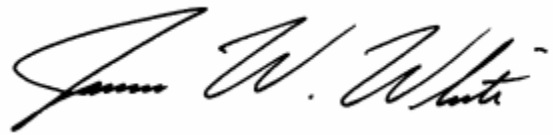
#### Assumptions:

- The fiscal impact of this bill is dependent on difference between the total cost of the project and the amount of revenues it would generate for the state.
- Construction estimates from 1997 were \$56,904,000.
- Using the Construction Price Index, construction costs have increased approximately 38.8% since 1997.
- Cost of construction for toll bridge in 2006 is estimated at \$79.0 million ( $\$56,904,000 \times 138.8\% = 78,982,752$ ).
- Cost of construction for toll facility estimated at \$1.0 million.
- Total cost of construction is estimated at \$80.0 million.
- Interest costs are estimated at \$88.0 million over 20 years at a 5.5% rate of interest ( $\$80.0 \text{ million cost} \times 5.5\% \text{ interest} \times 20 \text{ years} = \$88.0 \text{ million}$ ).
- Maintenance and repair costs are estimated at \$18.0 million over 20 years.
- Operational costs are estimated at \$5.0 million over 20 years.
- Total state expenditures over 20-year period are estimated at \$191.0 million.

- To cover entire \$191.0 million in total costs would require 10,000 vehicles per day for 20 years at an average toll of \$2.62 per vehicle toll.
- To the extent the toll bridge generated \$191.0 million in revenues over the 20-year period, the state would break even.

**CERTIFICATION:**

This is to duly certify that the information contained herein is true and correct to the best of my knowledge.

A handwritten signature in black ink, reading "James W. White". The signature is fluid and cursive, with the first name "James" written in a more compact, stylized script, followed by "W." and "White" in a more legible, though still cursive, hand.

James W. White, Executive Director